

TORONTO STOCK EXCHANGE

LISTING STATEMENTELECTRIC BOAT COMPANY

Incorporated May 29, 1925, under the laws of the State of New Jersey, United States of America.

COMMON STOCK OF THE PAR VALUE OF \$3 (U.S. FUNDS) PER SHARE

Reference is made to the attached Prospectus dated November 12, 1951, which is incorporated herein and made a part hereof.

CAPITALIZATION
(AS AT THE DATE HEREOF)

	Shares Authorized	SHARES ISSUED AND PAID UP In Hands of Public	In Treasury of Company	Shares Authorized and Unissued
\$2 Cumulative Convertible Preferred Stock, without par value (stated value \$50 (U.S. funds) per share).....	199,997	168,308	31,689	None
Common Stock, par value \$3 (U.S. funds) per share.....	1,100,000	745,240	54,763	299,997

December 17, 1951.

ELECTRIC BOAT COMPANY (hereinafter referred to as the "Company") hereby makes application for listing on the Toronto Stock Exchange of the 1,100,000 authorized shares of Common Stock of the Company of the par value of \$3 (U.S. funds) per share, whereof 745,240 shares are issued and in the hands of the public, the balance, 354,760 shares, to be listed subject to issuance in due course upon notice to the Exchange.

OPINION OF COUNSEL

The opinion of Messrs. Paine, Kramer & Marx, New York, general counsel of the Company, filed in support of this application, states that the shares of Common Stock covered by this application are duly authorized; that 800,003 of such shares have been validly issued and are fully paid and non-assessable; that the remaining 299,997 shares are validly authorized but unissued and that no personal liability attaches to the holders thereof, except insofar as Section 71 of the New York Stock Corporation Law provides for personal liability of stockholders to laborers, servants or employees other than contractors, for services performed by them for the Company.

LISTING ON OTHER STOCK EXCHANGES

All of the shares of Common and Preferred Stock of the Company are listed on the New York Stock Exchange. Application is being made for the listing of the shares of Common Stock of the Company on the Montreal Stock Exchange.

STATUS UNDER THE SECURITIES ACT (ONTARIO)

The attached Prospectus, and supporting documents, were filed with the Ontario Securities Commission on November 8, 1951, in connection with the sale in Canada of 50,000 shares of the Common Stock of the Company.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

GENERAL INFORMATION

The principal executive offices of the Company are located at 445 Park Avenue, New York 22, N.Y.; the statutory address of the Company is One Exchange Place, Jersey City, N.J.

The Annual Meeting of Stockholders of the Company is held on the last Thursday in April of each year at the statutory address of the Company.

The fiscal year of the Company ends on the 31st day of December in each year.

The Transfer Agents of the Company are: Montreal Trust Company, Toronto and Montreal; Bankers Trust Company, New York; The First National Bank of Jersey City, Jersey City, N.J.

The Registrars of the Company are: The Royal Trust Company, Toronto and Montreal; The Hanover Bank, New York.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing of the above mentioned securities on the Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



ELECTRIC BOAT COMPANY

By "JOHN J. HOPKINS," *President.*

"LAMBERT J. GROSS," *Comptroller.*

The Shares of Common Stock of the par value of \$3 (U.S. funds) per Share referred to herein are being offered in Canada but not in the United States of America. This Prospectus is not, and under no circumstances is to be construed as, an offering of any of these Shares for sale in the United States of America or in the territories or possessions thereof, or an offering to any resident of the United States of America, or a solicitation of an offer from any such resident to buy any of these Shares.

50,000 Shares

Electric Boat Company

(Incorporated under the laws of the State of New Jersey, United States of America)

Common Stock of the Par Value of \$3 (U.S. Funds) Per Share

Transfer Agents:

MONTREAL TRUST COMPANY, Montreal and Toronto
BANKERS TRUST COMPANY, New York
THE FIRST NATIONAL BANK OF JERSEY CITY, Jersey City, New Jersey

Registrars:

THE ROYAL TRUST COMPANY, Montreal and Toronto
THE HANOVER BANK, New York

Capitalization

(as at the date hereof, after giving effect to present financing)

	Shares Authorized	Shares Issued and Paid Up		Shares Authorized and Unissued
		In Hands of Public	In Treasury of Company	
Cumulative Convertible Preferred Stock, without par value (stated value \$50 (U.S. funds) per Share).....	199,997	168,308	31,689	None
Common Stock, par value \$3 (U.S. funds) per Share.....	1,100,000	745,240	54,763	299,997*

*199,997 Shares reserved for conversion privilege of Preferred Stock; 69,523 Shares reserved for options issued or issuable under the Restricted Stock Option Plan of the Company.

NOTE: As of October 1, 1949 Canadair Limited, a wholly-owned subsidiary, purchased the real estate and equipment comprising its main plant, theretofore leased, for \$3,760,745 (Canadian funds), to be paid in twenty-two equal annual instalments beginning October 1, 1950, with interest at the rate of 3% per annum. As security, Canadair Limited delivered to Crown Assets Disposal Corporation a first mortgage on the real property and certain equipment so purchased, the balance payable as at December 31, 1950 amounting to \$3,418,859 (Canadian funds), not including the instalment of \$170,943 (Canadian funds), paid October 1, 1951.

We, on behalf of Electric Boat Company, offer these Shares of Common Stock subject to the approval of all legal matters by Messrs. Wainwright, Elder, Laidley, Leslie, Chipman & Bourgeois, Montreal for ourselves and by Messrs. Duquet & MacKay, Montreal, Messrs. Arnoldi, Parry & Campbell, Toronto and Messrs. Paine, Kramer & Marx, New York for the Company.

PRICE: At the Market

All of the authorized Shares of Common Stock of Electric Boat Company are listed on the New York Stock Exchange. Subject to the filing of documents and evidence of satisfactory distribution, the Montreal Stock Exchange and The Toronto Stock Exchange have approved, upon sale of the Shares offered hereby, the listing of all Shares of Common Stock of the Company. The right is reserved to reject any or all applications and also, in any case, to allot a smaller number of Shares than may be applied for.

John Jay Hopkins, Esq., President of Electric Boat Company, has supplied the following information in connection with the sale of the shares covered hereby:

THE COMPANY

Electric Boat Company (hereinafter sometimes referred to as "the Company") was organized under the laws of the State of New Jersey in the year 1925. The Company has one active subsidiary, Canadair Limited, a Canadian corporation, acquired in 1947.

The various activities of the Company will be considered on a consolidated basis.

Unless otherwise specified, the dollar amounts shown in the following are stated in U.S. funds.

PLANTS AND ACTIVITIES

Groton, Connecticut - Groton Plant

This plant, located on deep water on the Thames River, Groton, Connecticut, is devoted chiefly to the development, design and production of submarines. It employs approximately 4,000 persons, occupies an area of approximately 63 acres and contains a combined floor area of approximately 715,000 square feet. The remainder of the area includes 12 shipbuilding berths, roads, docks, storage facilities, utilities, parking lots and housing accommodations. Most of the facilities and all of the land are owned by the Company (with the exception of buildings and equipment belonging to the United States Navy). This plant has been, since 1924, the only private manufacturer of submarines on the Continent, except for a brief period during the last war when other private yards participated in the submarine program. The Company produced a total of 103 submarines in preparation for, during and after the said war. During the same period, the Groton plant produced more submarines than any other United States building yard and reached a maximum output of 1 submarine every 11 days.

Security considerations do not permit disclosure of the backlog figure at the Groton plant, but it can be stated that it has on hand orders for the design and production of various types of submarines. The Company is now engaged in the performance of United States Navy contracts for 4 submarines, 1 of which, the anti-submarine submarine K-1, was launched on March 2, 1951. Construction on the other 3 submarines is continuing. In addition the United States Navy has this year issued to the Company a letter of intent for the design and construction of a new type, small (250 ton) target and training submarine and has announced that there will be assigned to the Company orders for the conversion of 4 more submarines to the more modern high-speed snorkel type under the Navy's "Guppy" conversion program. Furthermore, the United States Navy Bureau of Ships announced on August 21, 1951 that a contract for the first nuclear-powered (atomic) submarine had been awarded to the Company.

Since World War II, the Groton plant has developed and produced the E.B.CO Offset Press, engaged in miscellaneous ship repair and construction work and manufactured all-welded steel highway bridges.

The Company and its predecessor pioneered the submarine for the United States Navy and, as can be seen from the record, the Company is continuing to maintain its position as the foremost private submarine manufacturer on this Continent.

Bayonne, New Jersey - Electro Dynamic Division

This plant owned by the Company and located at Bayonne, New Jersey, is devoted chiefly to the production of diversified lines of electric motors for industrial and marine use, ranging from 1 to 300 horsepower. Of special interest are the development and acceptance of motor drives for passenger and freight elevators, for machine tools, compressors, conveyors, printing presses (including the Company's own), fans and blowers, as well as for fire pump equipment and for use in packing houses and other locations with severe moisture conditions. Electro Dynamic motors and generators are recognized in the marine field and shipments have recently been completed on auxiliary motors for the new superliner "United States" and also for a prototype cargo ship for the United States Maritime Administration. The Electro Dynamic Division employs approximately 400 persons, occupies an area of approximately 4.6 acres and has a manufacturing floor space of approximately 156,000 square feet.

Electric Boat Company was the first to build electric motors for shipboard use and to develop the interpole direct current motor.

Bayonne, New Jersey - Elco Division

The activities at the Elco Division during World War II included the design and manufacture of PT boats for the United States Navy, 398 craft of this type being delivered.

The activities of the Elco Division were terminated in 1949 and its equipment disposed of. A substantial portion of the Elco plant itself has been sold and the balance is now subject to negotiation for sale.

Although the activities of this Division have been terminated, the Company still stands ready to manufacture PT boats at the Groton plant if need therefor should arise. As a matter of fact, a new experimental type PT boat, with hull and superstructure of riveted aluminum, was manufactured at Groton and delivered to the United States Navy in 1951.

Parish of St. Laurent, Quebec, Canada - Canadair Limited

This plant is engaged in the design, development, manufacture, conversion and overhaul of aircraft and aircraft parts and components. It is the principal aircraft manufacturer in Canada. Located on the so-called Cartierville Airport near Montreal, it employs approximately 8,000 persons, occupies an area of approximately 100 acres and has a manufacturing floor space of approximately 1,600,000 square feet.

The facilities of Canadair Limited consist of the main plant (Plant No. 1) on the airport, which was acquired by the Company from Crown Assets Disposal Corporation in 1949, subject to a first mortgage as will be seen from the financial statements. Canadair Limited in 1950 erected an addition to this plant costing in the neighborhood of \$2,000,000 (Canadian funds). The so-called Noorduyn Plant (Plant No. 2) across the airport is under lease by the Company from the Canadian Government. The Canadian Government has granted Canadair Limited certain capital assistance in connection with defense contracts, to which capital assistance it is anticipated there may be some additions. Such capital assistance to date has furnished the Company chiefly with the use of machine tools and equipment required for its accelerated defense production program; such items remain the property of the Crown.

Canadair Limited is producing the F-86 Sabre Jet Fighter, holder of the official world speed record, and has received letters of intent for the production of T-33 jet trainers for the Royal Canadian Air Force and for the development and manufacture of T-36A advanced trainer transports for the United States Air Force in conjunction with Beech Aircraft Corporation. The manufacture and sale of spare parts for DC-3 and DC-4 type aircraft, under a licensing agreement with Douglas Aircraft Company, Inc., also constitutes an important portion of the business of this subsidiary, as does aircraft conversion, overhaul and maintenance work.

Immediately after its acquisition by Electric Boat Company on January 25, 1947, Canadair Limited accelerated the construction of the four-engine "North Star" transports, of which only the prototype had been completed. Twenty civilian type were produced for Trans-Canada Air Lines and 24 military type for the Royal Canadian Air Force. During the year 1949, Canadair Limited completed deliveries of 26 "Canadair Fours" (40-passenger civilian transport airplanes) to British Overseas Airways Corporation and Canadian Pacific Airlines. In both cases final deliveries were made months ahead of exceptionally tight schedules.

Electric Boat Company owns all the voting stock of Canadair Limited, namely, 1,017,500 shares. There are also outstanding 64,700 non-voting Employees' and Directors' shares, out of 100,000 such shares authorized, which were sold as an incentive to key employees and directors of Canadair Limited. At the present time Electric Boat Company owns 33,750 shares of the 64,700 non-voting shares outstanding.

FINANCIAL HISTORY

The following tabulation reproduced from the Annual Report of the Company for the year ended December 31, 1950 should be of interest.

Financial History - Comparative Statistics from 1941 to 1950 (U.S. funds)

	1950	1949	1948	1947	1946	1945†	1944	1943†	1942†	1941
Unfilled orders at end of year.....	\$91,260,000	\$45,780,000	\$60,171,000	\$31,369,000	\$ 4,541,000	\$10,871,000	\$61,500,000	\$207,342,000	\$202,000,000	\$100,484,000
Net sales.....	41,754,339	45,234,961	54,558,099	26,925,037	14,368,954	45,439,462	90,788,756	94,591,756	75,182,758	43,140,359
Profit before Federal income taxes....	2,506,941	1,059,516	4,322,079	558,245	347,586	3,958,528	9,811,664	9,977,540	8,090,242	4,111,542
Federal income taxes.....	1,111,000	627,100	2,250,000	(40,600)	(1,200,000)	1,797,357	6,836,950	6,680,800	5,138,400	1,280,000
Net profit for the year.....	1,395,941	432,416	2,072,079	598,845	1,547,586	2,161,171	2,974,714	3,296,740	2,951,842	2,831,542
Cash dividends.....	1,207,065	1,382,545	1,386,206	1,037,946	1,041,820	1,049,212	1,078,963	927,031	752,725	677,453
Profit retained as surplus and reserves	188,876	(950,129)	685,873	(439,101)	505,766	1,111,959	1,895,751	2,369,709	2,199,117	2,154,089
Current assets.....	\$21,472,726	\$22,160,041	\$27,775,685	\$23,331,381	\$18,920,285	\$20,323,169	\$25,278,374	\$26,411,297	\$32,931,657	\$18,938,961
Current liabilities.....	6,465,027	5,790,418	10,763,304	6,469,387	1,962,266	3,497,291	11,215,997	13,462,257	20,895,319	8,634,035
Current ratio.....	3.3 to 1	3.8 to 1	2.6 to 1	3.6 to 1	9.6 to 1	5.8 to 1	2.3 to 1	2.0 to 1	1.6 to 1	2.2 to 1
Net current assets or working capital..	\$15,007,699	\$16,369,623	\$17,012,381	\$16,861,994	\$16,958,019	\$16,825,878	\$14,062,377	\$12,949,040	\$12,036,338	\$10,304,926
Working capital per share of common..	9.48	11.38	12.15	11.91	12.05	24.18	19.58	17.87	15.99	13.69
Net worth (all assets less all liabilities)	19,840,191	19,679,231	20,705,005	20,029,313	20,468,414	20,111,820	19,320,861	17,475,918	15,354,335	13,202,718
Net worth per share of common.....	16.43	16.14	17.45	16.46	17.09	28.91	26.90	24.12	20.40	17.54
Total payrolls and social security taxes	\$17,881,800	\$17,322,821	\$16,474,602	\$25,927,871	\$ 8,198,023	\$23,395,465	\$44,073,777	\$44,900,177	\$34,614,874	\$17,923,631
Ratio of total payrolls to net sales....	42.8%	38.3%	30.2%	96.3%	57.1%	51.5%	48.5%	47.5%	46.0%	41.5%
Salaries of officers.....	\$ 422,963	\$ 266,218	\$ 340,869	\$ 265,811	\$ 190,000	\$ 189,833	\$ 179,955	\$ 162,775	\$ 137,533	\$ 121,000
Ratio of officers' salaries to net sales..	1.0%	.6%	.6%	1.0%	1.3%	.4%	.2%	.2%	.2%	.3%
Number of employees at end of year...	7,700	6,000	7,260	6,680	3,658	5,048	10,276	15,318	14,303	8,769
Investment in net assets per employe..	\$ 2,577	\$ 3,280	\$ 2,852	\$ 2,998	\$ 5,596	\$ 3,984	\$ 1,880	\$ 1,141	\$ 1,074	\$ 1,506
Ratio of profit before taxes to net sales	6.0%	2.3%	7.9%	2.1%	2.4%	8.7%	10.8%	10.5%	10.8%	9.5%
Ratio of profit after taxes to net sales..	3.3%	1.0%	3.8%	2.2%	10.8%	4.8%	3.3%	3.5%	3.9%	6.6%
Ratio of profit after taxes to net worth	7.0%	2.2%	10.0%	3.0%	7.6%	10.7%	15.4%	18.9%	19.2%	21.4%
Average number of stockholders.....	6,570	6,350	6,550	6,275	5,500	4,950	5,000	5,750	5,850	5,600
Preferred shares outstanding in the hands of the public at year end....	168,311	169,031	171,231	171,531	171,531	None	None	None	None	None
Common shares outstanding in the hands of the public at year end....	695,237	695,722	695,722	695,724	695,724	695,725	718,225	724,525	752,725	752,725
Net profit per share of common stock	\$ 1.52	\$.13	\$ 2.49	\$.37	\$ 1.98	\$ 3.11	\$ 4.14	\$ 4.55	\$ 3.92	\$ 3.76
Cash dividends per share of common..	1.25	1.50	1.50	1.00	1.25	1.50	1.50	1.25	1.00	.90

†As subsequently revised.

BACKLOG

The published consolidated backlog of Electric Boat Company and its subsidiary, Canadair Limited, as at December 31, 1950, was \$91,260,000, double the total of unfilled orders at the close of 1949. Security considerations do not permit the disclosure of the composition of this figure. Firm orders on hand as at June 30, 1951 have been estimated at \$144,361,000. Developments since June 30, 1951, including other contracts for both civilian and military work in Canada and the United States, would amount to more than \$100,000,000 and the consolidated backlog as of the date of this prospectus could be conservatively estimated at \$248,000,000.

PROFIT LIMITATIONS

It should be noted that most of the Company's business and that of its subsidiary, Canadair Limited, is subject to contractual and statutory profit recapture provisions, both in Canada and in the United States.

In addition, the earnings of the Company, excluding those of Canadair Limited, may be subject to excess profits tax in the United States. The Company estimates that its base for this purpose will be in the vicinity of \$1,750,000, but no precise figure can be given at this time.

MANAGEMENT

The active management of Electric Boat Company and its subsidiary, Canadair Limited, is in the hands of experienced and well-qualified officers. Canadair Limited and the divisions of Electric Boat Company each operate in conformity with the basic policies of the Board of Directors of Electric Boat Company.

The Directors of Electric Boat Company are named in the statutory information. It is of interest to note that the following constitute the Directors of Canadair Limited, and their principal occupation:

DOUGLAS W. AMBRIDGE, C.B.E.....	President, Abitibi Power & Paper Company, Ltd., Toronto, Ont.
Honourable G. PETER CAMPBELL, K.C.....	Arnoldi, Parry & Campbell, Toronto, Ont.
GEORGE W. CODRINGTON.....	Vice-President, General Motors Corporation and General Manager, Cleveland Diesel Engine Division, Cleveland, Ohio.
J. P. EMILE COLLETTE.....	President, Associated Textiles of Canada, Limited, Montreal, Que.
JOHN E. L. DUQUET, K.C.....	Duquet & MacKay, Montreal, Que.
THEODORE J. EMMERT.....	Executive Vice-President, Ford Motor Company of Canada, Limited, Windsor, Ont.
JOSEPH H. HIMES.....	President, Joseph H. Himes Company, Inc., Washington, D.C.
JOHN JAY HOPKINS.....	President, Electric Boat Company, New York, N.Y. Chairman of the Board and President, Canadair Limited, Montreal, Que.
HENRY M. MARX.....	Paine, Kramer & Marx, New York, N.Y.
OTTO MARX.....	President, Birmingham Corporation, New York, N.Y.
Air Vice-Marshal FRANK S. MCGILL, C.B.	Secretary and Director of Sales, Dominion Oilcloth & Linoleum Company, Ltd., Montreal, Que.
T. RODGIE McLAGAN, O.B.E.....	President, Canada Steamship Lines, Ltd., Montreal, Que.
CLIFTON M. MILLER.....	Cattle Breeder and Farmer, Chestertown, Md.
Vice-Admiral EARLE W. MILLS, U.S.N. (Ret.).....	President, Foster Wheeler Corporation, New York, N.Y.
J. GEOFFREY NOTMAN, O.B.E.....	Executive Vice-President and General Manager, Canadair Limited, Montreal, Que.
Lieut-Col. W. ERIC PHILLIPS, C.B.E., D.S.O., M.C, LL.D.....	President, Duplate Canada, Ltd., Toronto, Ont.
Air Vice-Marshal ADELARD RAYMOND, C.B.E.....	President, Queen's Hotel, Ltd., Montreal, Que.

EARNINGS

The Company on September 17, 1951 published its semi-annual report for the first six months of that year. Subject to year end adjustments, the estimated consolidated earnings of Electric Boat Company and its subsidiary, Canadair Limited, after United States and Canadian taxes at rates currently in effect at the time, totaled \$1,220,000 for the first six months of 1951, equivalent to \$1.51 per share on the 695,240 shares of Common Stock then outstanding, exclusive of Treasury Shares, after provision for Preferred Stock dividend requirements for the half year period.

The following reports have been received, respectively, from the Company's auditors, Messrs. Arthur Andersen & Co., New York, N.Y., and from the former auditors of the Company, Messrs. Moroney & Donelan, New York, N.Y.:

AUDITORS' REPORTS

To the Stockholders and the Board of Directors of
ELECTRIC BOAT COMPANY:

We have examined the consolidated balance sheets of Electric Boat Company (a New Jersey corporation) and subsidiary as of December 31, 1949, and as of December 31, 1950, and the related consolidated statement of earned surplus for the two years then ended. Except that it was not practicable to confirm United States and Canadian Government receivables, as to which we have satisfied ourselves by means of other auditing procedures, our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statement of earned surplus present fairly the financial position of Electric Boat Company and subsidiary as of December 31, 1950, and the results of their operations for the two years then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year and are in agreement with the books of the said Company.

Our examination also included the income statements for the years 1949 and 1950 included herein in the statement of consolidated earnings on page 6. In our opinion, such statements present fairly the consolidated earnings of Electric Boat Company for such years.

Income statements for the years 1941, 1942, 1943, 1944, 1945, 1946, 1947 and 1948 included herein in the statement of consolidated earnings on page 6 were not examined by us but were taken from reports of Moroney & Donelan, Certified Public Accountants.

New York, N.Y.
November 5, 1951.

ARTHUR ANDERSEN & CO.

To the Stockholders and the Board of Directors of
ELECTRIC BOAT COMPANY:

We have examined the income statements of Electric Boat Company (a New Jersey corporation) and subsidiaries for the years 1941, 1942, 1943, 1944, 1945, 1946, 1947 and 1948 included herein in the statement of consolidated earnings on page 6. Except that it was not practicable to confirm United States and Canadian Government receivables, as to which we satisfied ourselves by means of other auditing procedures, our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances. In our opinion, such statements present fairly the consolidated earnings of Electric Boat Company for such years.

New York, N.Y.
November 5, 1951.

MORONEY & DONELEN

Electric Boat Company and Subsidiaries STATEMENT OF CONSOLIDATED EARNINGS (U.S. FUNDS) For the Ten Years Ended December 31, 1950

(Includes Canadair Limited since acquisition—see note (1))

Fiscal year ended December 31	Consolidated earnings before depreciation, amortization and taxes on income	Provision for depreciation and amortization of property, plant and equipment	Consolidated earnings before taxes on income	Taxes on income actually paid or provided for at rates applicable in the respective periods	Consolidated net earnings	Dividends on preferred stock accruing during year (Preferred Stock issued as stock dividend in 1946)	Balance of earnings
1941	\$ 4,474,356	\$362,814	\$4,111,542	\$1,280,000	\$2,831,542	\$ —	\$2,831,542
1942	8,466,854	376,612	8,090,242	5,138,400	2,951,842	—	2,951,842
1943	10,404,186	426,646	9,977,540	6,680,800	3,296,740	—	3,296,740
1944	10,272,074	460,410	9,811,664	6,836,950	2,974,714	—	2,974,714
1945	4,392,340	433,812	3,958,528	1,797,357	2,161,171	—	2,161,171
1946	537,471	189,885	347,586	(4)(1,200,000)	1,547,586	172,165	1,375,421
1947	(1) 800,737	242,492	558,245	(4) (40,600)	598,845	342,222	256,623
1948	(2) 4,585,055	262,976	4,322,079	2,250,000	2,072,079	342,623	1,729,456
1949	(3) 1,874,374	814,858	1,059,516	627,100	432,416	338,962	93,454
1950	3,388,677	881,736	2,506,941	1,111,000	1,395,941	337,412	1,058,529

NOTES:

- (1) Includes the earnings, depreciation and taxes on income of Canadair Limited, a Canadian subsidiary, for the period of approximately 15½ months, from September 15, 1946 to December 31, 1947 amounting to \$1,826,528. This subsidiary was acquired on January 25, 1947 as of September 14, 1946, and it was found to be impracticable to determine fairly its earnings for the period from September 15, 1946 to January 25, 1947. The cost of acquisition was \$517,500 in excess of net worth shown by Canadair's balance sheet as at September 14, 1946, which excess cost has been charged to consolidated earnings.
- (2) Includes income in the amount of \$2,720,884 attributable to the settlement of disputed claims under a government contract.
- (3) Includes a non-recurring loss of \$709,786 incurred in liquidation of the Company's former Elco Division.
- (4) The provisions for taxes on income in 1946 and 1947 are net of estimated carry-back refunds of Federal income and excess profits taxes in the amounts of \$1,333,000 and \$1,423,000, respectively.

Electric Boat Company and Subsidiary
CONSOLIDATED BALANCE SHEET (U.S. FUNDS)
AS AT DECEMBER 31, 1950

ASSETS

CURRENT ASSETS:

Cash.....		\$ 5,804,047
United States Government securities at cost.....		2,998,875
Accounts receivable—		
United States and Canadian Government.....	\$ 4,270,585	
Other trade accounts (less reserve of \$80,000).....	1,488,523	5,759,108
Inventories—		
Expenditures and estimated profits on ship and aircraft contracts in process, less billings.....	\$2,505,416	
Other work in process, less billings, and materials and supplies at lower of cost or market.....	4,405,280	6,910,696
Total current assets.....		\$21,472,726

DEFERRED CHARGES:

Prepaid insurance, etc.....	\$ 788,751	
Cost of funding past services requirement under Retirement Annuity Plan, less amortization.....	199,389	988,140

FIXED ASSETS (Note 3):

Land.....	\$ 1,175,781	
Buildings, machinery and equipment.....	12,132,828	
	\$13,308,609	
LESS—		
Reserves for depreciation and amortization.....	6,277,216	7,031,393

\$29,492,259

LIABILITIES

CURRENT LIABILITIES:

Accounts payable.....	\$ 2,107,755	
Accrued salaries and wages.....	685,656	
United States and foreign income taxes.....	1,391,036	
Other accrued taxes.....	202,800	
Dividend payable on preferred stock.....	84,215	
Mortgage installment due October 1, 1951.....	153,849	
Contract advances, less related contract costs.....	1,839,716	
Total current liabilities.....		\$ 6,465,027

MORTGAGE PAYABLE, 3% (Note 3):

Payable by Canadair Limited, subsidiary company, less installment shown above.....		3,076,973
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MINORITY INTEREST IN SUBSIDIARY COMPANY.....		110,068
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CAPITAL STOCK AND SURPLUS:

Capital stock—		
Preferred stock, \$2 cumulative no par convertible, stated value \$50 per share—		
Authorized—200,000 shares		
Issued and outstanding—		
168,311 shares (after deducting 31,689 shares in treasury)....	\$ 8,415,550	
Common stock, par value \$3 per share—		
Authorized—1,000,000 shares (200,000 shares reserved for preferred stock conversion privilege)		
Issued and outstanding — 695,237 shares (after deducting 104,763 shares in treasury).....	2,085,711	
	\$10,501,261	

EARNED SURPLUS.....	9,338,930	19,840,191
		<u>\$29,492,259</u>

The accompanying notes are an integral part of the above statement.

Approved on behalf of the Board:

OTTO MARX, Director

JOHN JAY HOPKINS, Director

Electric Boat Company and Subsidiary
CONSOLIDATED STATEMENT OF EARNED SURPLUS (U.S. FUNDS)
FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	<u>1950</u>	<u>1949</u>
Earned Surplus, beginning of year.....	\$9,140,515	\$10,056,289
Add:		
Net income for the year.....	1,395,941	432,416
Excess of stated value over cost of 600 and 2,200 shares of treasury preferred stock purchased.....	9,539	34,355
	<u>\$10,545,995</u>	<u>\$10,523,060</u>
Deduct: Dividends paid—		
Preferred stock—\$2.00 per share in 1950 and 1949.....	\$337,412	\$ 338,962
Common stock—\$1.25 per share in 1950 and \$1.50 per share in 1949.....	869,653	1,207,065
	<u>1,043,583</u>	<u>1,382,545</u>
Earned Surplus, end of year (Note 2)...	<u>\$9,338,930</u>	<u>\$9,140,515</u>

The accompanying notes are an integral part of the above statement.

NOTES:

(1) Method of profit accrual:

The Company records profits on long-term contracts prior to completion thereof where, in the opinion of its management, such profits can be reasonably estimated after taking into consideration stage of completion and estimated final costs and prices.

(2) Pending litigation:

Canadair Limited is contesting litigation for an injunction against the sale by it of certain aircraft spare parts and for royalties and damages of over \$1,600,000 in connection with such sales made prior to March 1949. These actions were instituted in Montreal in 1949 by Douglas Aircraft Company, Inc. with a reservation of its rights to make further claims with respect to such sales made by Canadair Limited after March 1949. (All differences between Canadair Limited and Douglas Aircraft Company, Inc. were settled during 1951.)

(3) Properties:

Fixed assets acquired after January 1, 1932, are stated at cost; those acquired prior thereto are stated at values set by the Board of Directors at less than cost. The fixed properties of the former Elco Division of the Company have been offered for sale and it is expected that such disposal will be accomplished without loss to the Company. Substantially all of the land, buildings, and certain of the equipment owned by Canadair Limited is subject to a first mortgage in the amount of \$3,589,802 Canadian funds, held by Crown Assets Disposal Corporation (an agency of the Canadian Government) and payable in twenty-one equal annual installments with interest at 3%.

The provisions for depreciation charged to costs were \$881,736 for the year 1950 and \$814,858 for the year 1949.

(4) Translation of Canadian currency:

The assets, liabilities and operations of Canadair Limited reported in Canadian currency were valued in United States dollars at the rate of exchange in effect at each year end except that fixed assets and related reserves for depreciation and the mortgage liability were stated at historical values. Net current assets of the Canadian subsidiary approximate \$3,500,000.

The consolidated earned surplus includes undistributed earnings of the Canadian subsidiary which may be subject to the Dominion withholding tax if and when transferred in the form of dividends to the parent company.

STATUTORY INFORMATION

- 1. The full name of the Company is Electric Boat Company (hereinafter referred to as “the Company”). The head office of the Company is at 445 Park Avenue, New York 22, N.Y.
- 2. The Company was incorporated under the laws of the State of New Jersey, United States of America. The Certificate of Incorporation of the Company was filed with the Secretary of State of the State of New Jersey on May 29, 1925. Certificates of Amendment of the Certificate of Incorporation of the Company were filed on July 27, 1932, July 15, 1944, June 13, 1946 and April 27, 1951.
- 3. The general nature of the business of the Company, actually transacted, is the design, development and manufacture of submarines, PT boats, electric motors for marine and industrial use, and printing presses; the Company through its Canadian subsidiary, Canadair Limited, of which it owns 100% of the voting stock, is also engaged in the design, development, manufacture, conversion and overhaul of aircraft and aircraft parts.
- 4. The Officers and Directors of the Company, not including Assistant Officers, are as follows:

<u>Name of Director or Principal Officer</u>	<u>Home Address</u>	<u>Positions and Offices Held with the Company</u>	<u>Present Occupation</u>
GEORGE WILLIAM CODRINGTON...	12911 Lake Ave. Lakewood, Ohio	Director	Vice-President, General Motors Corporation and General Manager, Cleveland Diesel Engine Division, Cleveland, Ohio.
JOSEPH HENDRIX HIMES.....	Prospect Hall Frederick, Md.	Director	President, Joseph H. Himes Company, Inc., Washington, D.C.
JOHN JAY HOPKINS.....	2800 Woodley Road Washington 8, D.C.	President and Director	Electric Boat Company.
EMORY SCOTT LAND.....	Wardman Park Annex Washington, D.C.	Director	President, Air Transport Association of America, Washington, D.C.
OTTO MARX.....	976 Orienta Ave. Mamaroneck, N.Y.	Director	President, Birmingham Corporation, New York, N.Y.
THOMAS RODGIE MCLAGAN, O.B.E.....	44 Sunnyside Westmount, Que.	Director	President, Canada Steamship Lines, Ltd., Montreal, Que.
CLIFTON MCPHERSON MILLER...	Chestertown, Md.	Director	Cattle Breeder and Farmer, Chestertown, Md.
EARLE WATKINS MILLS.....	1 Beekman Place New York 22, N.Y.	Director	President, Foster Wheeler Corporation, New York, N.Y.
MOREHEAD PATTERSON.....	730 Park Avenue New York 21, N.Y.	Director	Chairman of the Board and President, American Machine & Foundry Company, New York, N.Y.
ORIN POMEROY ROBINSON, JR....	Waterford, Conn.	Vice-President and Director	Electric Boat Company.
REEVE SCHLEY.....	Far Hills, N.J.	Director	Chairman of the Board, Somerville Trust Company, Somerville, N.J.
THOMAS ALBERTSON SCOTT.....	40 Fifth Avenue New York, 11, N.Y.	Director	Honorary Chairman of the Board, Merritt-Chapman & Scott Corporation, New York, N.Y.
LAMBERT JOHN GROSS.....	406 Oradell Avenue Oradell, N.J.	Comptroller	Electric Boat Company.
ROBERT PICKENS MEIKLEJOHN...	6 Plymouth Drive Scarsdale, N.Y.	Treasurer	Electric Boat Company.
WILLIAM TIMOTHY BRESNAHAN...	2 Beekman Place New York 22, N.Y.	General Attorney	Electric Boat Company.
CHARLES PHILLIP HART.....	29 Marilyn Place Clifton, N.J.	Secretary	Electric Boat Company.

- 5. The Auditors of the Company are Messrs. Arthur Andersen & Co., 67 Broad Street, New York 4, N.Y.

The Auditors of the Company's Canadian subsidiary, Canadair Limited, are Messrs. Riddell, Stead, Graham & Hutchison, 460 St. John Street, Montreal 1, Que.

- 6. (a) The Registrars of the Company are:

The Hanover Bank
70 Broadway
New York 15, N.Y.

The Royal Trust Company
105 St. James Street
Montreal 1, Que.

The Royal Trust Company
66 King Street
Toronto, Ont.

(b) The Transfer Agents of the Company are:

Bankers Trust Company
46 Wall Street
New York 15, N.Y.

The First National Bank of Jersey City
1 Exchange Place
Jersey City, N.J.

Montreal Trust Company
511 Place d'Armes
Montreal 1, Que.

Montreal Trust Company
15 King Street
Toronto, Ont.

7. The present share capital of the Company is:

	<u>Shares Authorized</u>	<u>Shares Issued and Paid Up</u>		<u>Shares Authorized and Unissued</u>
		<u>In Hands of Public</u>	<u>In Treasury** of Company</u>	
Cumulative Convertible Preferred Stock, without par value (stated value \$50 (U.S. funds) per Share).....	199,997	168,308	31,689	None
Common Stock, par value \$3 (U.S. funds) per Share.....	1,100,000	695,240	104,763	299,997*

*199,997 Shares reserved for conversion privilege of Preferred Stock; 69,523 Shares reserved for options issued or issuable under the Restricted Stock Option Plan of the Company.

**These treasury shares have been purchased or otherwise acquired from time to time by the Company after issue thereof. The 50,000 shares of Common Stock of the Company hereby offered are included in the aforesaid treasury shares.

8. The particulars in respect of the respective voting rights, preferences, conversion and exchange rights, rights to dividends, profits or capital of each class of shares of Electric Boat Company, including rights on liquidation or distribution of capital assets, are set forth in Article Fourth of the Certificate of Incorporation of the Company as amended, the provisions of which follow:

Fourth: (a) The total authorized capital stock of the Corporation is one million three hundred thousand (1,300,000) shares, of which two hundred thousand (200,000) shares are to be preferred stock without par value and the remaining one million one hundred thousand (1,100,000) shares are to be common stock with a par value of \$3 each. Any or all of said shares of preferred stock may be issued and may be sold by the Corporation from time to time in such manner and for such consideration as from time to time may be fixed by the Board of Directors.

The holders of the preferred stock shall be entitled to receive dividends, when and as declared from the surplus or net profits of the Corporation available for the payment thereof, at the rate of \$2.00 per share per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on the preferred stock shall be cumulative, and shall be payable before any dividend on the common stock shall be paid or set apart; so that if in any year dividends amounting to \$2.00 per share shall not have been paid thereon, the deficiency shall be payable before any dividends shall be paid upon or set apart for the common stock.

Whenever all cumulative dividends on the preferred stock for all previous years shall have been declared and shall have become payable, and the accrued quarterly installments for the current year shall have been declared, and the Corporation shall have paid such cumulative dividends for previous years and such accrued quarterly installments or shall have set aside from its surplus or net profits a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the common stock, payable then or thereafter, out of any remaining surplus or net profits.

Any holder of preferred stock may at any time and from time to time, except as hereinafter provided in respect of redemption, convert all or any of the shares of preferred stock, held by him, into common stock on the basis of one (1) share of common stock for one (1) share of preferred stock, without any adjustment in respect of dividends, by surrender to the Corporation of the certificate or certificates representing the preferred stock so to be converted, which shall bear the necessary transfer stamps and which, if the Corporation shall so require, shall be properly endorsed or assigned for transfer; and upon such surrender, such holder shall be entitled to receive therefor one (1) or more certificates for the shares of common stock into which such preferred stock is convertible. In the event of an increase at any time in the number of shares of common stock outstanding as a result of any split-up by reclassification or otherwise of shares of common stock, or as a result of any stock dividend payable in common stock, the number of shares of common stock into which each share of preferred stock shall thereafter be convertible, as aforesaid, shall be increased in the same proportion as the outstanding number of shares of common stock is increased by said split-up or stock dividend, or in the event that the number of shares of common stock at any time outstanding shall be decreased as a result of any combination by reclassification or otherwise of shares of common stock then outstanding, the number of shares of common stock into which each share of preferred stock shall thereafter be convertible, as aforesaid, shall be decreased in the same proportion as the outstanding number of shares of common stock is decreased by said combination.

In the event of the liquidation, dissolution or winding up, whether voluntary or otherwise, of the Corporation, the holders of the preferred stock shall be entitled to be paid in full out of the assets, whether capital or surplus, \$50. per share and the unpaid dividends accrued thereon before any amount shall be paid to the holders of the common stock. If the assets distributable on such liquidation, dissolution or winding up, shall be insufficient to permit payment to the holders of the preferred stock of the full amount of \$50. per share and unpaid dividends accrued thereon, the assets shall be distributed pro rata among the holders of the preferred stock. After the payment to the holders of the preferred stock of \$50. a share, and the unpaid accrued dividends thereon, the remaining assets shall be divided and paid to the holders of the common stock according to their respective shares. The sale of all the property of the Corporation to, or the merger or consolidation of the Corporation into or with, any other corporation shall not be deemed to be a distribution of assets, or a liquidation, dissolution or winding up within the purposes of this paragraph.

The Corporation may at any time purchase in the market or at private sale its preferred stock or any number of shares thereof, issued and outstanding, at a cost to it, of not exceeding the sum of \$52.50 per share up to and including May 31, 1951 and \$51.25 per share thereafter, in each case plus unpaid dividends accrued thereon to the date of purchase. Also, the Corporation may elect at any time to redeem, call in and retire the whole of its preferred stock or any part thereof in amounts of not less than one thousand (1000)

shares at a time, by paying to the respective holders thereof the sum of \$52.50 per share up to and including May 31, 1951 and \$51.25 per share thereafter, in each case plus unpaid dividends accrued thereon to the date of redemption. If less than all the outstanding preferred stock is to be redeemed at any time, such redemption shall be made by lot in such manner as may be prescribed by the Board of Directors. Notice of the intention of the Corporation to redeem any or all of its preferred stock shall be mailed not less than forty-five (45) days prior to the date of redemption to each holder of record of stock so to be redeemed at his address as it appears upon the books of the Corporation. The holders of any shares of the preferred stock so called for redemption shall, on the redemption date specified in such notice, cease to be stockholders of the Corporation with respect to such shares and all rights with respect to said shares so called for redemption shall, on such redemption date, cease and terminate, except only the rights of the holders thereof to receive the redemption price therefor without interest. In case any of the preferred stock shall be called for redemption, the right of conversion with respect to such shares called for redemption shall expire at the close of business on the eleventh day next preceding the redemption date.

Each holder of record of the preferred stock and each holder of record of the common stock shall be entitled to one (1) vote, in person or by proxy, for each share of each class of stock standing in his name on the books of the Corporation; provided, however, that if, at any time, the Corporation shall be in default in the payment of quarterly dividends on its preferred stock for six quarterly dividend periods, the holders of the preferred stock voting separately as a class shall be solely entitled to elect two directors of the Corporation and the holders of the common stock as a class shall be solely entitled to elect the remaining directors, until such time as there are no unpaid dividends accrued on the preferred stock to the beginning of the then current dividend period. At any annual meeting of stockholders held during the time that the Corporation is in such default, the term of office of all directors shall expire upon the election of their successors at such meeting. The by-laws shall contain appropriate provisions as to the number of shares of preferred stock, not to exceed a majority of the number of shares of preferred stock then outstanding, and of common stock required as a quorum at any such class election of directors, provided, however, that if there is a quorum of preferred stock, the preferred stock shall be entitled to elect two directors, as aforesaid, notwithstanding the absence of a quorum of the common stock, and in that event the preferred stock shall be entitled to designate those of the directors then holding office whose terms shall expire in order to create vacancies for succession of the new directors elected at such meeting by the preferred stock.

No holder of preferred stock of the Corporation shall have any preferential right or any right whatever to subscribe for any share of any class of stock of the Corporation issued or sold, or to be issued or sold whether now or hereafter authorized, or whether newly issued or treasury, or to subscribe to any of the obligations convertible into stock of the Corporation or any right of subscription to any thereof other than such, if any, as the Board of Directors in its absolute and uncontrolled discretion may from time to time determine.

(b) Any action which, at any meeting of stockholders, requires the vote, assent or consent of two-thirds in interest of all of the stockholders, or of two-thirds in interest of each class of stockholders having voting powers, or which requires such assent or consent in writing to be filed, may be taken upon the assent of and the assent given and filed, as the case may be, by two-thirds in interest of the stockholders present and voting at such meeting in person or by proxy, but where assent by classes is required such assent shall be given by two-thirds in interest of each class so present and voting, provided, however, that any amendment to the Certificate of Incorporation materially and adversely altering any existing provision with respect to the preferred stock shall require the assent of at least two-thirds of the preferred stock then outstanding, voting as a class.

9. The Company has no Bonds or Debentures outstanding, or proposed to be issued, or any other securities (except the Cumulative Convertible Preferred Stock herein referred to) issued or proposed to be issued, which, if issued, will rank ahead of or *pari passu* with the Shares of Common Stock offered hereby.
10. There is no substantial indebtedness to be created or assumed, not shown in the accompanying balance sheet dated the 31st day of December, 1950.
11. On April 27, 1951, in accordance with resolutions adopted by the Stockholders of the Company at a meeting held on April 26, 1951, approving a Restricted Stock Option Plan in accordance with Section 130A of the Internal Revenue Code of the United States, there were issued to key officers and employees of the Company and its subsidiary, Canadair Limited, non-transferable seven year options to purchase 55,500 Shares of its Common Stock at 95% of the market price thereof on the date of the issuance of the options, namely, \$19.54 (U.S. funds) per Share. The plan provides that the maximum number of Shares which may be subject to Restricted Stock Options shall be limited to 10% of the Shares of Common Stock of the Company issued and outstanding at the time the Options are granted. On the basis of the 695,237 Shares then outstanding (exclusive of Treasury Shares), 69,523 Shares were reserved for the Plan. Upon the consummation of the sale of the Shares of Common Stock offered hereby an additional 5,000 Shares will be available for reservation by the Board of Directors of the Company for Restricted Stock Options as aforesaid. All such Options hereafter issued must provide a purchase price for the Shares of 95% of the market value thereof on the date or dates the Options are granted.
12. The Shares offered by this Prospectus consist of 50,000 Shares of the Common Stock of the Company of the par value of \$3 (U.S. funds) per Share. The sale price of the said Shares on any given day is the Canadian equivalent of the closing price of the Company's Common Stock on the New York Stock Exchange on the preceding day (and in the event of there being no such closing price, then the closing price on the day in which a sale last occurred on such Exchange) based on the cost at the time of the import into Canada of the Shares hereby offered under the system of barter established in accordance with the regulations of the Foreign Exchange Control Board. The Company will receive in U.S. funds, as to all shares sold, the market price thereof on the New York Stock Exchange, determined in the manner hereinabove provided, less (1) the commission of \$1.50 (U.S. funds) for each Share sold to be paid as stated under item 15 *infra* and (2) such necessary expenses as may be incurred in connection with the offering.

Assuming a New York Stock Exchange market price of \$25 (U.S. funds) per Share (Shares of Common Stock of the Company have recently sold at this price), the gross proceeds to the Company of the Shares offered hereby if all are sold will amount to \$1,250,000 (U.S. funds) and the approximate net proceeds to the Company after deducting the commission above referred to will amount to \$1,175,000 (U.S. funds), less incidental expenses in connection with the sale estimated not to exceed \$10,000 (U.S. funds).

13. The proceeds of the securities offered will be deposited with the general funds of the Company. There are no specific purposes to which the same are to be devoted.
14. No minimum amount in the opinion of the Directors must be raised by the sale of the Shares of Common Stock hereby offered in order to provide the sums required to be provided for the purchase price of any property purchased or to be purchased, any preliminary expenses or commission payable by the Company, the repayment of any money borrowed by the Company in respect of the foregoing matters, or the repayment of bank loans.
15. The Company has entered into an Agreement dated October 10, 1951 with Greenshields & Co Inc, whereby the latter on behalf of the Company undertakes to use its best efforts to find purchasers for the said Shares of Common Stock, the Company to pay to Greenshields & Co Inc, the sum of \$1.50 (U.S. funds) in respect of each Share for which Greenshields & Co Inc finds a purchaser at the price stated in item 12 *supra*. In addition the Company has agreed to defray certain legal and advertising expenses incurred by Greenshields & Co Inc not to exceed in the aggregate \$2,500 (Canadian funds).
16. The By-laws of the Company contain no provisions as to the remuneration of the Directors.
17. (a) The aggregate remuneration paid by the Company during its last financial year to the Directors of the Company and members of the Executive Committee as such: \$22,800.
Estimated to be paid or payable during the current financial year: \$22,500.
- (b) The aggregate remuneration paid by the Company during its last financial year (exclusive of contributions under the Company's Pension Plan) to Officers of the Company as such who individually have received or may be entitled to receive remuneration in excess of \$10,000 per annum: \$145,144.42.
Estimated to be paid or payable during the current financial year: \$195,000.
18. No amount has been paid within the two preceding years or is payable as a commission by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or obligations of the Company except as stated in item 15 *supra*.
19. The Company has not purchased or acquired nor proposes to purchase or acquire any property, the purchase price of which is to be defrayed in whole or in part out of the proceeds of this offering, or has been paid within the last two preceding years or is to be paid in whole or in part in securities of the Company, or the purchase or acquisition of which has not been completed at the date of this statement.
20. No securities have, within the two preceding years, been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, other than in connection with the conversion of 3 Shares of Preferred Stock by a holder thereof into 3 shares of Common Stock in the year 1951.
21. No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities offered by this Prospectus, or have been within the last two preceding years or are to be paid for by securities of the Company, except as stated in item 15 *supra* and, as stated in item 12 *supra*, such other services as may be rendered in connection with and incidental to the sale of the Shares offered hereby, the cost of which is estimated not to exceed \$10,000 (U.S. funds).
22. No amount has been paid during the two preceding years or is intended to be paid to any promoter.
23. No material contracts have been entered into within the two preceding years except contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company, except the Agreement referred to in item 15 *supra*, copy whereof may be inspected during usual business hours at the offices of Messrs. Arnoldi, Parry & Campbell, 80 King Street West, Toronto 1, Ont.
24. None of the present Directors had or have any interest in any property acquired by the Company within the two years preceding the date hereof, or at present proposed to be acquired by the Company.
25. The Company has no knowledge of any persons who, by reason of beneficial ownership of securities of the Company or any Agreement in writing, are in a position to, or are entitled to, elect or cause to be elected a majority of the Directors of the Company.
26. No securities of the Company are, to the knowledge of the Company, held in escrow.
27. Particulars of dividends paid during the five fiscal years preceding the date of this Prospectus are as follows:

	<u>Preferred Stock</u>		<u>Common Stock</u>	
	<u>Per Share</u>	<u>Total</u>	<u>Per Share</u>	<u>Total</u>
1946	\$1.00	\$172,164.50	\$1.25	\$ 869,655.25
1947	\$2.00	\$342,222.00	\$1.00	\$ 695,724.00
1948	\$2.00	\$342,622.50	\$1.50	\$ 1,043,583.50
1949	\$2.00	\$338,962.00	\$1.50	\$ 1,043,583.00
1950	\$2.00	\$337,412.00	\$1.25	\$ 869,653.00

The foregoing constitutes full, true, and plain disclosure of all material facts in respect of the offering of the securities referred to above, as required by Section 39 of The Securities Act (Ontario) and there is no further known material information applicable other than in the financial statements or reports where required.

DIRECTORS

GEORGE W. CODRINGTON,
By his agent,
LAMBERT J. GROSS

CLIFTON M. MILLER,
By his agent,
LAMBERT J. GROSS

JOSEPH H. HIMES,
By his agent,
LAMBERT J. GROSS

EARLE W. MILLS

JOHN JAY HOPKINS

MOREHEAD PATTERSON

E. S. LAND,
By his agent,
LAMBERT J. GROSS

O. POMEROY ROBINSON, JR.,
By his agent,
LAMBERT J. GROSS

OTTO MARX

REEVE SCHLEY,
By his agent,
LAMBERT J. GROSS

T. RODGIE MCLAGAN,
By his agent,
LAMBERT J. GROSS

T. A. SCOTT

NEW YORK, N.Y., November 8, 1951

UNDERWRITERS

The following list includes the names of all persons having an interest either directly or indirectly to the extent of not less than 10% in the capital stock of Greenshields & Co Inc:

RUSSELL D. BELL
R. O. JOHNSON
PETER KILBURN

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above, as required by Section 39 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

GREENSHIELDS & CO INC

per R. D. BELL

MONTREAL, November 8, 1951.

